

DIESEL AND ALTERNATIVE FUELS TAX

The Special Fuels Tax Act was repealed by the ninety-third Legislature with the passage of LB 1160 and was replaced with the Diesel Fuel Tax Act and the Alternative Fuel Tax Act. This legislation became effective on July 1, 1994.

Diesel fuel includes all combustible liquids suitable for use in diesel-powered motor vehicles. It does not include kerosene. Undyed diesel fuel is subject to tax when it is imported into the state. A taxable import occurs when: (1) the fuel is withdrawn from a Nebraska pipeline terminal facility; or (2) the fuel is imported into Nebraska via truck or rail. Diesel fuel stored at a Nebraska pipeline terminal facility is not subject to the tax.

LB 143, enacted in 1999, changes the manner undyed diesel fuel is taxed. Beginning January 1, 2000, undyed diesel fuel will be taxed in the same manner as gasoline; upon receipt of the fuel as opposed to on the sale of the fuel. To bring tax-free inventories of undyed diesel fuel into compliance, a floor-stock tax will be imposed upon the dealers' inventory on December 31, 1999.

Alternative fuel is defined as propane, compressed natural gas, liquefied petroleum gas, liquefied natural gas, electricity, and any other source of energy used to power a motor vehicle, except motor vehicle fuels and diesel fuel.

Table 21

| DIESEL FUEL NET TAXABLE GALLONS AND NET TAX DUE | | | | | | |
|--|-------------------------------------|-------------------------------------|---|-----------------------------|-----------------------------|---|
| Month | 1999 Taxable Gallons | 1998 Taxable Gallons | Percent Increase or (Decrease) | 1999 Tax Due | 1998 Tax Due | Percent Increase or (Decrease) |
| January | 24,942,528 | 23,647,189 | 5.48% | \$5,656,084 | \$5,791,545 | -2.34% |
| February ... | 23,115,558 | 21,355,343 | 8.24 | 5,241,418 | 5,234,123 | 0.14 |
| March | 29,174,949 | 24,600,290 | 18.60 | 6,617,513 | 6,019,992 | 9.93 |
| April | 27,902,458 | 26,678,705 | 4.59 | 6,328,463 | 6,094,431 | 3.84 |
| May | 28,663,651 | 26,254,173 | 9.18 | 6,501,260 | 5,929,922 | 9.63 |
| June | 29,630,394 | 26,791,040 | 10.60 | 6,721,427 | 6,177,504 | 8.80 |
| July | 29,144,816 | 27,295,384 | 6.78 | 6,987,791 | 6,081,838 | 14.90 |
| August | 29,712,287 | 27,770,142 | 6.99 | 7,124,501 | 6,676,335 | 6.71 |
| September | 30,752,354 | 28,317,344 | 8.60 | 7,374,284 | 6,611,693 | 11.53 |
| October | 33,415,214 | 30,990,617 | 7.82 | 7,991,380 | 7,191,758 | 11.12 |
| November . | 28,067,164 | 26,211,421 | 7.08 | 6,729,553 | 6,127,255 | 9.83 |
| December . | 27,782,977 | 26,812,645 | 3.62 | 6,661,899 | 6,277,551 | 6.12 |
| Total | 342,304,350 | 316,724,293 | 8.08% | \$79,935,573 | \$74,213,947 | 7.71% |

AIRCRAFT FUELS TAX

Aircraft fuels tax is imposed upon the importing, producing, refining, manufacturing, compounding, or blending of aircraft fuels in Nebraska for use, distribution, sale or delivery in this state. Aircraft fuels include aircraft gasoline, jet fuel, or any other fuel used exclusively for propelling aircraft.

The tax rate for aviation gasoline is five cents per gallon and the tax rate for aviation jet fuel is three cents per gallon. Revenue from the aircraft fuels tax is credited to the Department of Aeronautics Cash Fund.

Table 22

| AIRCRAFT FUELS NET TAXABLE GALLONS AND NET TAX DUE | | | | | | |
|---|-------------------------------------|-------------------------------------|---|-----------------------------|-----------------------------|---|
| Month | 1999 Taxable Gallons | 1998 Taxable Gallons | Percent Increase or (Decrease) | 1999 Tax Due | 1998 Tax Due | Percent Increase or (Decrease) |
| January | 4,364,175 | 4,263,371 | 2.36% | \$130,260 | \$130,207 | 0.04% |
| February | 4,067,461 | 4,060,558 | 0.17 | 120,969 | 125,087 | -3.29 |
| March | 4,828,374 | 4,183,919 | 15.40 | 146,910 | 129,517 | 13.43 |
| April | 4,314,316 | 4,266,032 | 1.13 | 128,562 | 128,386 | 0.14 |
| May | 4,361,496 | 4,530,236 | -3.72 | 131,677 | 137,641 | -4.33 |
| June | 4,792,790 | 4,922,036 | -2.63 | 145,752 | 147,562 | -1.23 |
| July | 5,276,668 | 5,060,371 | 4.27 | 161,255 | 152,124 | 6.00 |
| August | 5,338,457 | 4,960,822 | 7.61 | 164,263 | 152,704 | 7.57 |
| September .. | 4,704,341 | 4,632,840 | 1.54 | 140,920 | 139,346 | 1.13 |
| October | 4,755,773 | 4,521,971 | 5.17 | 142,396 | 134,823 | 5.62 |
| November ... | 4,529,098 | 4,356,473 | 3.96 | 135,715 | 130,147 | 4.28 |
| December ... | 4,693,212 | 4,737,740 | -0.94 | 139,676 | 141,578 | -1.34 |
| Total | 56,026,161 | 54,496,369 | 2.81% | \$1,688,355 | \$1,649,122 | 2.38% |